

RESOLUTION 76-40

RESOLUTION APPROVING 1975-1976
FISCAL YEAR ANNUAL REPORT

WHEREAS, the CHFA fiscal year 1975-1976 ended on June 30, 1976; and

WHEREAS, Section 41365 of the Health and Safety Code of the State of California directs that the CHFA shall, within 90 days following the close of each fiscal year, submit an annual report of its activities under Division 31 for the preceeding year to the Governor, the Secretary of the Business and Transportation Agency, the Director of the Department of Housing and Community Development, the State Treasurer, and the Legislature; and

WHEREAS, Section 41365 further directs that within 90 days following the close of each fiscal year, the CHFA shall also submit an annual report to the Joint Legislative Audit Committee and the Joint Legislative Budget Committee; and

WHEREAS, Section 41365 further directs that each such report shall set forth a complete operating and financial statement of the Agency during the concluded fiscal year; and

WHEREAS, the Acting President has presented a draft annual report for FY 1976-1977 addressing all of the requirements as are contained in Section 41365; and

WHEREAS, the members of the Board of Directors of the California Housing Finance Agency have reviewed the draft annual report for FY 1975-1976 presented by the Acting President.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors:

- (1) It hereby approves and adopts the prepared draft of an annual report of the California Housing Finance Agency for the fiscal year 1975-1976 ending June 30, 1976.
- (2) It hereby instructs the Acting President to have such annual report reproduced in a suitable form for public distribution.
- (3) It hereby instructs the Acting President to distribute the annual report to such persons and entities as are identified in Section 41365, and to make additional copies of the report available to the general public.

*approved 7/28/76
Duane Hodge*

ANNUAL REPORT

FISCAL YEAR 1975-1976

of the

CALIFORNIA HOUSING FINANCE AGENCY

TABLE OF CONTENTS

	<u>PAGE</u>
Transmittal	1
Board of Directors	3
Background	5
Events Leading to the Creation of the CHFA The First Extraordinary Legislative Session of 1975	
CHFA: Powers, Programs and Lending Authority	7
Program Summary Bonds and Notes	
The First Year of Operation	9
Getting the Agency Underway Policy Guidelines Adopted by the Board of Directors Financing Programs Summary of Results: First Year of Operation Table I - Recap Direct Loan Applications Table II - Map showing Distribution - Direct Loan Sites	
Financial Statements	18
Staff of the Agency	

TRANSMITTAL

Edmund G. Brown, Jr.
Governor
State of California

Jesse M. Unruh
Treasurer
State of California

Members of the California State Legislature

Joint Legislative Budget Committee
Senator Donald Grunsky, Chairman
Mr. A. Alan Post, Legislative Analyst
California Legislature
State of California

Joint Legislative Audit Committee
Assemblyman Mike Cullen, Chairman
California Legislature
State of California

Donald E. Burns
Secretary
Business and Transportation Agency
State of California

Arnold C. Sternberg
Director
Department of Housing and Community Development
State of California

"The Legislature finds and declares...

... That the subject of housing is of vital statewide importance to the health, safety, and welfare of residents of this state.

... There exists within the urban and rural areas of the state a serious shortage of decent, safe, and sanitary housing which persons and families of low and moderate income, including the elderly and handicapped, can afford.

... The attainment of a national and state housing goal is complicated by a variety of continuing problems, not the least of which (is)...the absence of effective private-public mechanisms designed to engender and facilitate a partnership approach to housing.

... In order to remedy such housing shortages, it is necessary to implement a public program..."

The first year of activity of the California Housing Finance Agency focused on fulfilling the necessarily initial objective of its mandate; the structuring of a viable public program, which can build upon an enduring partnership with other public entities and private interests. This period of building a strong foundation of involvement and understanding is a condition precedent to meeting the housing and neighborhood preservation objectives reflected in the text of the Zenovich-Moscone-Chacon Housing and Home Finance Act of 1975. With a view to showing how this base has been built, we are pleased to submit the First Annual Report of the California Housing Finance Agency, covering the period of Fiscal Year 1975-1976.

Respectfully,

A handwritten signature in dark ink, appearing to read "S. Michael Elliott", with a stylized flourish at the end.

S. MICHAEL ELLIOTT
Chairman

September 28, 1976

BOARD OF DIRECTORS

"The Agency shall be administered by a board of directors..."

Chairperson

- . S. Michael Elliott
Deputy Secretary
Business and Transportation Agency
State of California
Appointed by Governor -- 5 year term

Tenant Member

- . Byron D. Barker
President and Chairman of the Board
Barker Management, Inc.
Appointed by Senate Rules Committee -- 2 year term

Real Estate Finance Member

- . Anthony M. Frank
Chairman and President
Citizens Savings and Loan Association
Appointed by Governor -- 4 year term

Builder

- . Michael J. Mazer
President
HDR Development Corporation
Appointed by Governor -- 6 year term

Labor Member

- . Anthony L. Ramos
Executive Secretary-Treasurer
California State Council of Carpenters
Appointed by Governor -- 2 year term

Tenant Member

- . Miss Effie Robinson
Director, Senior Citizens Social Services
San Francisco Housing Authority
Appointed by Speaker of Assembly -- 6 year term

Management Member

- . Sal Solinas
Rural Housing Development Coordinator
Housing Authority of the County of Santa Cruz
Appointed by Governor -- 4 year term

The following serve as required by statute -- unlimited terms

- . Donald E. Burns, Secretary
Business and Transportation Agency
State of California
- . Honorable Jesse M. Unruh
State Treasurer
State of California
- . Arnold C. Sternberg, Director
Department of Housing and Community Development
State of California

Nonvoting

- | | |
|---|--|
| . Roy M. Bell, Director
Department of Finance
State of California | . Bill Press, Director
Office of Planning and Research
State of California |
|---|--|

The CHFA is fortunate in having the benefit of the advice and direction of these individuals in administering the affairs of the Agency. The current membership reflects a history of involvement and accomplishment in every segment of the housing process, and as a group, represent the broad range of experience and viewpoints fundamental to developing and implementing fiscally responsible and socially responsive programs.

We regret that Ms. Mary Henderson, former councilperson of the city of Redwood City, resigned her Board Membership on May 10, 1976. Ms. Henderson, who filled the Local Government Elected Official position on the board, contributed greatly to the early, decisive discussion and debate over CHFA policy and program mix.

BACKGROUND

EVENTS LEADING TO THE CREATION OF CHFA

In 1963 an Advisory Commission on Housing Problems, appointed by Edmund G. "Pat" Brown, completed the first comprehensive study of housing in California. Among its many recommendations was that a state housing agency be created. Two constituent departments were to comprise the agency, a Housing Finance Department and a Department of Housing Standards with the latter to absorb the then existing Division of Housing. It was recommended that the Housing Finance Department be given the authority to finance housing programs through the use of self-supporting revenue bonds wherever practical.

In 1965, after two years of legislative consideration, the Department of Housing and Community Development was created. The two constituent divisions of the new department were the Division of Codes and Standards, concerned with the establishment and enforcement of statewide building and housing standards, and the Division of Research and Assistance, which was to serve as a catalyst by assisting in seeking solutions to housing problems through technical advice, research and the dissemination of information...but with no financial authority.

During the period 1966 through 1974 a number of legislative efforts to create housing finance authority on the state level were introduced, but were consistently frustrated. In 1974, the last of these, was vetoed by then Governor Ronald Reagan.

THE FIRST EXTRAORDINARY LEGISLATIVE SESSION OF 1975

On February 16, 1975, less than five weeks after he took office, Governor Edmund G. Brown, Jr. issued a proclamation convening the California State Legislature for the following day in extraordinary session. In the proclamation the Governor cited...

"...A growing number of people in California are unable to obtain decent housing because of high interest rates, inflation, and other dislocations in the economy."

In calling for the prompt establishment of a state housing finance agency the Governor noted appropriately that...

"...Housing starts are running at a fraction of the need, the construction industry is in a depressed state and there is an extraordinary high unemployment in construction and allied trades."

On June 27th, following over three months of massive effort by a responsive Legislature, determined public and private groups, and innumerable dedicated individuals, the Zenovich-Moscone-Chacon bill, AB 1X, was signed into law. AB 1X created the CHFA and strengthened the role of the Department of Housing and Community Development (HCD). Shortly thereafter, on July 9, 1975, SB 4X was signed into law thereby completing the range of powers and programs which make the CHFA unique among state housing finance agencies. Interestingly, the statutory roles of the new agency (CHFA) and the strengthened one (HCD) were linked in a manner consistent with the 1963 recommendation of the Advisory Commission on Housing Problems.

CHFA: POWERS, PROGRAMS AND LENDING AUTHORITY

PROGRAM SUMMARY

The principal function of the CHFA is to sell tax-exempt bonds and use the proceeds to finance programs benefiting from lower than private market interest rates. Basically a quasi-banking entity, the CHFA unlike a bank, has a legislatively mandated social role to play.

To meet its objectives, the CHFA has the widest range of financing authority and program potential of any state agency in the country. It is legislatively mandated that the Agency shall serve primarily the housing needs of those of low and moderate income. In doing so, the Agency can provide financing for new construction as well as rehabilitation, for single family as well as multi-family structures, for rental housing as well as owner-occupied housing, and for housing located in rural as well as metropolitan areas (including inner cities).

With the use of federal subsidies, the Agency's direct lending program can address the needs of the lowest income groups, including persons and families of "very low income". In this program, the Agency makes direct loans to developers for newly constructed or substantially rehabilitated multi-family rental or cooperative housing. Under the federal rent subsidy program (Section 8) individuals and families pay a portion of their income (up to 25%) as rental for these units; the federal government makes up the difference between the rent charged by the landlord (up to a certain maximum) and the rent paid by the tenant.

In Neighborhood Preservation areas the Agency has an array of financing programs, including direct lending, but also including rehabilitation loans, refinancing and loan insurance. Deteriorating or mortgage deficient areas within a community may, upon application from the local government, qualify as Neighborhood Preservation areas. By varying interest rates and the length of loans and by utilizing FHA insurance, private mortgage insurance and CHFA's own insurance, financing can be tailored to the specific needs of most of the residents of Neighborhood Preservation areas. For those individuals and families who can afford a small monthly payment in addition to their existing mortgage payment, rehabilitation loans generally of from \$3,000 to \$10,000 will be available at market and below market interest rates.

For those individuals and families who cannot afford additional monthly payments, existing loans can be refinanced, so that even when combined with rehabilitation loans the monthly payment may be at or below the borrower's original monthly mortgage payment.

The variety of program authorities and powers granted CHFA by the Legislature is reflective of the tremendous diversity of the demography, economy and geography of California and is cognizant of both the flexibility required to solve complex housing problems, and the experience of other public and private programs in the country.

BONDS AND NOTES

The CHFA has a total debt capacity of \$950 million. Its statutes allow the Agency to issue up to \$300 million in tax-exempt, and \$150 million in taxable, revenue bonds. Use of the latter is contingent on the terms and funding of Section 802 of the Housing and Community Development Act of 1974, under which the taxable bonds can receive a 1/3 interest subsidy. In addition, the CHFA has authority to issue up to \$500 million in general obligation bonds, contingent on voter approval. The Agency's enabling statutes call for a ballot measure to be placed before the California electorate as Proposition I in November, 1976, seeking authority for the entire \$500 million general obligation allotment.

As loan loss security for the \$300 million in tax-exempt revenue bonds, a reserve equal to one year's annual debt service, is funded within the issuance. Secondly, a \$10 million appropriation to a Supplementary Reserve Account was installed by statute to serve as a secondary security reserve for the bonds. The full faith and credit of the State does not back these revenue bonds and all bonds issued as well as any bond prospectus must so state. With the \$10 million appropriated reserve fund it is expected that the CHFA can properly secure revenue bond issues of \$100 to \$150 million. It is this anticipated limitation on the leveraging of CHFA bond dollar reserves for revenue bonding purposes that makes passage of Proposition I so vital to the prospects for the uninterrupted progress of CHFA programs. The proceeds from these sales will be used principally for the direct lending program.

As a further protection, before any bond issue may be sold, the Housing Bond Credit Committee (HBCC) must approve the issuance. Such approval may be denied if the HBCC determines that the issuance of the bonds will adversely affect the State's credit rating which is currently AAA. The Housing Bond Credit Committee is composed of the State Treasurer, the Controller, the Director of Finance, the President of the CHFA and an Executive Secretary (who also serves as the Executive Vice-President of the CHFA). Because of the multiple levels of bond security, the CHFA does not anticipate problems in issuance encountered in other states which have operated programs with lesser assurances of bond security.

THE FIRST YEAR OF OPERATION

GETTING THE AGENCY UNDERWAY

Immediately following the signing of AB 1X into law, work was begun to make the Agency operational and implement its programs as expeditiously as possible.

CONSULTANTS: Consultants experienced in housing, finance and governmental programs were retained to structure the Agency's programs and organize its operations. Among the consultants retained were the following:

Mr. Pat Goeters was retained as a Special Consultant to design and implement the Agency's housing programs. He formerly served as Deputy Director of the Massachusetts Housing Finance Agency where he supervised the processing and development of almost a billion dollars in mixed rental housing. Under Mr. Goeters' direction, the MHFA assisted developments have become a national model in the field of assisted housing for quality underwriting and outstanding design.

Mr. Gary Paul Kane, a Sacramento attorney, who has served as attorney to many California housing and redevelopment agencies and as coordinator of HUD's State Housing Finance Agency Program in Washington, D.C., was retained as Special Consultant to assist the Agency in setting up its bonding, financing, and legal operations.

Mr. Robert Klein, formerly principal consultant to the California Legislature's Joint Committee on Community Development and Housing Needs, was retained by CHFA as a Special Consultant to design the single family mortgage purchase and the neighborhood preservation programs.

Mr. David Engelman, former Executive Vice President and Chief of Operations for the Mortgage Guaranty Insurance Corporation, helped design a mortgage insurance program.

ADVISORY PANELS: In addition to the consultants, advisory groups composed of business finance and governmental leaders from throughout the State were formed to provide experienced technical advice and counseling. In the areas of neighborhood preservation and relocation assistance the following panels were formed:

Advisory Committee on Neighborhood Preservation
Advisory Committee on Relocation

UNDERWRITERS: On August 14, 1975, Requests for Proposals were sent to thirty-four of the nation's largest and most respected bond underwriting firms. Besides structuring and marketing the Agency's issuances of notes and bonds, underwriters provide continual advice on financial matters. The following firms were selected as underwriters to the Agency:

Paine, Webber, Jackson and Curtis, Inc.
Bank of America NT/SA
Blyth, Eastman and Dillon, Inc.
Dean Witter and Company

POLICY GUIDELINES ADOPTED BY THE BOARD OF DIRECTORS

The first meeting of the CHFA Board of Directors was held on November 18, 1975. A portion of that meeting and substantial portions of the next five monthly meetings involved extensive discussion by Board members and members of the public of the proposed structuring and policy guidelines for the Agency's programs.

DIRECT LENDING PROGRAM: A Preliminary Statement of General Policy, principally affecting the direct lending program, was adopted on December 16, 1975, and was modified in part on January 20.

That Statement included a requirement that in each housing project financed by the Agency at least a portion of the units be rented to market rent or non-subsidized tenants. Agency consultants had urged that where a developer is required to rent to market tenants, the economics of the market place compel that his development be constructed and maintained at least on a par with neighboring non-subsidized developments. The experience in other states had indicated this "market rent" or "mixed income" requirement led to the development of better constructed and maintained and more economically viable housing.

After careful consideration and considerable public comment, the following categories were excluded from the market rent requirement:

- .. Housing developments in rural areas - (the needs for improved housing are great and the overwhelming preponderance of possible tenants could not afford market rents);
- .. Projects developed by Local Housing Authorities;
- .. Projects in Neighborhood Preservation areas or redevelopment areas found by the CHFA Board to have strong local commitment;
- .. Housing for the elderly, handicapped or disabled, where the sponsor is either a non-profit organization or a public agency.

NEIGHBORHOOD PRESERVATION PROGRAM: On April 27, the Board adopted a consultant's report and implementation plans for the Neighborhood Preservation Program. Local jurisdictions would submit applications to the Agency for designation of one or more geographic areas or communities as "Neighborhood Preservation Areas".

Upon application from local governments, older and declining sections of our cities may be designated "Neighborhood Preservation Areas" (NPA's) by the CHFA. Such a designation qualifies the NPA for a variety of CHFA-administered and otherwise-generated assistance programs, ranging from direct loans to, and including, mortgage insurance.

Central to the process is a hard, binding contract specifying the obligations of all the players, both public and private. Key elements in the neighborhood preservation contract are:

- .. Commitment from private lenders to restore mortgage credit to the area.
- .. Commitment from local government to manage code enforcement program, fund necessary public improvements, and guarantee adequate levels of city services.
- .. Citizen participation.
- .. CHFA commitments of loans and mortgage insurance.

Among the criteria used to evaluate proposed areas would be: The size of the area proposed; the residential character of the area; the extent of deterioration; the extent of abandoned houses; the condition of surrounding areas; the extent of citizen participation; the extent of cooperation from private financial institutions; and the consistency of the proposal with the local housing element and/or housing assistance plan.

Legislation was introduced in April to revise and make more understandable the terms and definitions used in referring to Neighborhood Preservation areas. As proposed, the term "Neighborhood Preservation Area" would include any deteriorated or mortgage deficient area designated by the Agency. Under the proposal there would be three types of "Neighborhood Preservation Areas":

- .. "Concentrated Rehabilitation Area" - an area of substantial deterioration of residential structures;
- .. "Scattered-Site Rehabilitation Area" - an area which is declining and which contains some deterioration of residential structures; and
- .. "Mortgage Assistance Area" - a mortgage deficient area, where general deterioration of residential structures has not yet begun.

FINANCING PROGRAMS

In addition to the direct lending program for multi-family and elderly rental developments, which carry 40-year CHFA mortgages and 40-year federal Section 8 rent subsidy contracts, a number of financing mechanisms have been designed for use in Neighborhood Preservation areas. These include:

Title I Home Improvement Loans: Loans of up to \$10,000 carrying a maximum term of 12 years will be made available to homeowners in NPA's at substantially below market interest rates, the latter coming as a result of passing through the benefits of CHFA tax exempt revenue bond financing. These loans carry a 90% federal guarantee. It is contemplated that the remaining 10% exposure will be covered by the CHFA Housing Rehabilitation Insurance Fund.

FHA/VA Mortgage Purchase Program: Here again, tax exempt financing by CHFA will provide new homeowners and NPA's with federally insured or guaranteed loans at interest rates substantially below market.

Mortgage-Backed Bond Program: Given a favorable ruling by the IRS (our request is pending), savings and loan associations will be authorized to originate conventional loans in previously mortgage deficient NPA's on behalf of the CHFA. It is contemplated that the savings and loan industry would become a private market for revenue bonds backed by these same mortgages. Losses under this program will be shared equally by the originating S & L, a consortium of private mortgage insurance companies, and the CHFA-administered Housing Rehabilitation Insurance Fund. The result to the consumer will be the availability of 90% conventional loans at rates well below market and direct loans for new construction and substantial rehabilitation under terms of the federal Section 8 rental subsidy program.

In addition the Agency may implement a bond insurance program to insure Marks-Foran bonds where appropriate. The proceeds of the Marks-Foran bonds may be used generally in the same way as the Title I/CHFA financed rehabilitating loans described above.

SUMMARY OF RESULTS: FIRST YEAR OF OPERATION

DIRECT LENDING: The early efforts to get the direct lending program functioning paid off. By the end of June, 1976, over 189 applications totaling almost \$480 million had been submitted to the Agency. Table I shows details on the status of these applications, which are summarized by the fact that the CHFA Board had made commitments on

six projects totaling 656 units for an aggregate loan amount of over \$14 1/2 million. In addition, site approvals were in effect for twenty-six more projects equaling 2800 units and an estimated \$50 million in mortgage loan funds.

NEIGHBORHOOD PRESERVATION: By June 30, the Neighborhood Preservation Program was well defined. Five financing programs had been designed to provide an array of tools which can be made available to assist in the revitalization of many of California's neighborhoods.

The Neighborhood Preservation Program, and particularly its Concentrated Rehabilitation Area Program, requires substantial local government involvement. On May 28, 1976, the CHFA announced its first NPP application deadline with copies of the announcement being sent to all California local governments, including Indian reservations and rancherias.

Although the deadline for submission of applications was set at August 15, 1976, by the end of June, a significant number of cities and counties had indicated interest in applying for assistance under this program.

BOND VALIDATION ACTION: A lawsuit was filed on March 15, 1976, to test the constitutionality of the legislative authority in AB 1X for the Agency to sell bonds. This is a "friendly" lawsuit brought by the Agency against its Chairperson for his failure to have bonds printed. It is intended to validate the Agency's bonds before issuance and avoid the harmful and disruptive effects of litigation after the bonds are issued.

The lawsuit raises three issues:

- .. Whether the Agency's use of bond proceeds to finance housing constituted a lending of public credit or the making of a gift in violation of Article XVI of Section 6 of the California Constitution.
- .. Whether the Agency's sale of bonds violates the debt limitation of Article XVI, Section 1 of the California Constitution.
- .. Whether the requirement of a local referendum contained in Article XXXIV of the California Constitution is applicable to housing developments financed by the Agency.

The constitutionality of a state housing finance agency's authority to issue bonds has been upheld by virtually every state court which has considered the question. The issue of the necessity for local referendum under Article XXXIV, a requirement unique to California, presents a number of questions not considered by other state courts.

Article XXXIV provides that without the approval of a majority of the local electorate:

"no low rent housing project...(may be) developed, constructed, or acquired...by any state public body..."

To bring the Article XXXIV issue better into focus, the lawsuit presents the court with three distinct factual situations intended to clarify the meaning and applicability of each part of the two pronged test of Article XXXIV:

- .. CHFA loan to private developer for fully subsidized housing development - This is intended to test whether or not by the sole activity of lending money the Agency can be deemed to be involved in the construction, development or acquisition of an admittedly low rent housing project.
- .. CHFA loan to public developer for partially subsidized housing development - This situation is intended to test whether or not a "mixed income" development (25% or more of tenants paying market rent) can be considered to be a "low rent housing project".
- .. CHFA loan to private developer for partially subsidized housing development - This situation tests whether or not by the sole activity of lending money for a mixed-income project the Agency comes within Article XXXIV.

LEGISLATIVE ACTIVITY: Early in 1976, as actual programs began to emerge, it became apparent that a number of legislative changes might be required in order to clear up inconsistencies and clarify direction relating to the design and implementation of the programs contemplated in the Agency's enabling legislation.

In order to respond to these needs, the CHFA Board of Directors on April 1, 1976, called a special meeting to consider legislative changes proposed by staff consultants. In all, some fifty-two changes were studied.

Of note, the Board was concerned that statutory requirements regarding percentage limitations on the availability of Agency financed housing for elderly and very low income households might prove to be a severe detriment to the Agency's programs once federal subsidies were exhausted. To this end, Motion 76-2 directed the staff to seek legislative modifications of Sections 41332, 41496, and to delete Section 41497 in its entirety, as these sections appear in the Agency's enabling statutes.

Additionally, Motion 76-3 encompassing the majority of the other 52 items was adopted instructing the staff to seek passage of legislation including the items and policy directions approved by the Board.

In later Board meetings, additional legislative actions were undertaken, reflecting the Board's strong commitment to maintain the CHFA's fiscal and administrative integrity as well as its programmatic soundness.

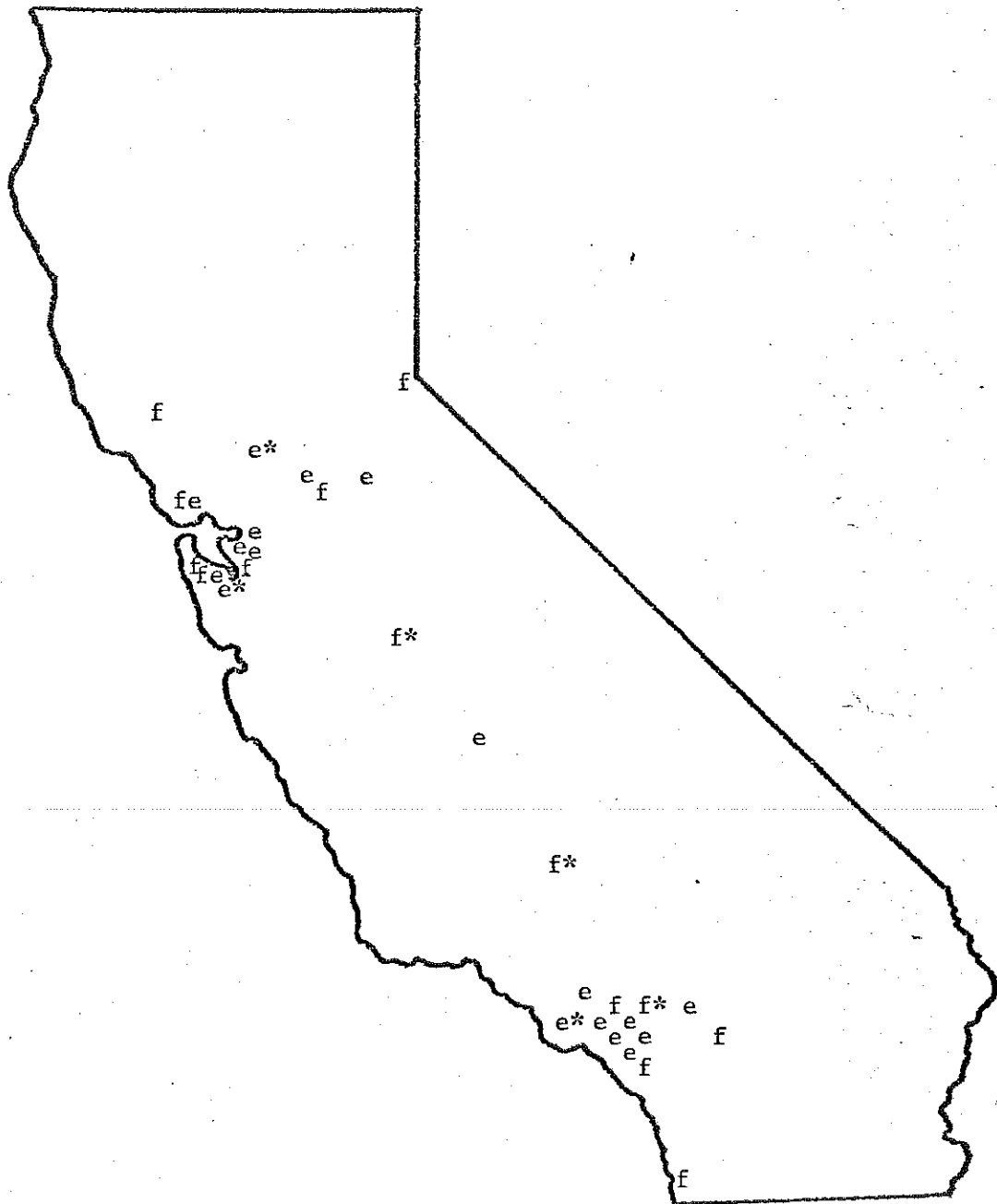
State Senators George Zenovich and Arlen Gregorio each carried bills embodying CHFA backed legislation, as did Assemblyman Peter Chacon. AB 4301 (Chacon) and SB 1997 (Zenovich) both contained amendments to AB 1X. SB 1810 by Senator Gregorio, proposed certain amendments for clarification to SB 4X, and included an additional \$5 million to be appropriated to the Housing Rehabilitation Fund, thereby increasing the amount of funds available for loan insurance to \$10 million.

TABLE I
CALIFORNIA HOUSING FINANCE AGENCY
MULTI-FAMILY DIRECT LENDING PROGRAM
RECAP OF LOAN PROCESSING
June 25, 1976

	Sponsor/Developer Status			Projects	Units	Section 8	Loan Amount
	<u>Profit</u>	<u>Non-Profit</u>	<u>Minority</u>				
<u>Committed</u>							
Elderly	2	1	0	3	196	192	\$ 5,919,195
Family	3	0	1	3	460	230	8,604,327
<u>Sites Approved</u>							
Elderly	5	10	2	15	1,635	924	(Staff Estimate) \$ 34,316,000
Family	9	2	2	11	1,152	586	26,370,000
<u>Unprocessed</u>							
Elderly				6	934		22,044,000
Family				4	528		9,743,000
<u>No Longer Active</u>				147	16,905		374,083,478
<u>Total Projects Received To Date</u>				189	21,810		\$479,540,000

TABLE II

MULTI-FAMILY DIRECT LENDING PROGRAM
GEOGRAPHIC DISTRIBUTION OF SITE SUBMISSIONS



e = Elderly Project
f = Family Project
* = Committed Project

PLEASE NOTE:

The financial statements for this section are not yet completed. The annual audit, called for by Section 41365 of the Health and Safety Code is currently being conducted by the CHFA's independent audit firm of Coopers & Lybrand.

Upon completion of their audit and certification of year-end financial statements, the same will be forwarded to you under separate cover. It is anticipated that this work should be completed by October 15, 1976.